

Delegated Cabinet Member Key Decision Report

Decision Maker and Portfolio area: Cllr Amanda Chadderton, Cabinet Member for People and Place

Date of Decision: 15th June 2021

Subject: Approval to purchase 4 x Compact Sweepers.

Report Author: Dave Durham, Fleet & Workshop Manager

Reason for the decision: *To seek approval to purchase 4 Compact Sweepers.*

Summary: *The Fleet Management division wish to purchase 4 Compact Sweepers as part of the Fleet Management vehicle replacement programme. The existing Compact Sweepers have now come to the end of their life cycle and are due to be replaced. If we carry on running the existing vehicles Oldham Council will incur considerable downtime and increased repair costs due to component failure.*

A mini competition was issued on the Chest through the YPO Purchase, Hire & Lease of Specialist Vehicles framework on the Cheston 12th March 2021 with a closing date of 9th April 2021.

5 bids were received and evaluated in line with the criteria outlined in the documentation. The scores can be seen in the table below, with Bidder 1 submitting the most economically advantageous tender:

<i>Bidder 1</i>	<i>84.83</i>
<i>Bidder 2</i>	<i>61.26</i>
<i>Bidder 3</i>	<i>52.81</i>
<i>Bidder 4</i>	<i>58.80</i>
<i>Bidder 5</i>	<i>70.40</i>

What are the alternative option(s) to be considered? Please give the reason(s) for recommendation(s):

Option 1: To award the purchase of Compact Sweepers to Bidder 1. This represents the most economically advantageous tender as the machines offered match the specification outlined along with a competitive price.

Option 2: To not award to Bidder 1. As a result, the existing sweepers would be used incurring increased downtime and repair costs.

Recommendation(s):

Option 1: To award the purchase of Compact Sweepers to Bidder 1. This represents the most economically advantageous tender as the machines offered match the specification outlined along with a competitive price.

Implications:

*What are the **financial** implications?*

Cabinet approved a capital spending programme for replacing fleet vehicles totalling £5.57m on 25th February 2019. This programme encompasses a five-year period covering financial years 2019/20 to 2023/24.

The cost of acquiring four replacement compact road sweepers (to be used by the Street Cleansing service) on the basis of the preferred quotation referred to above, is £316.4k (£79.1k per vehicle).

Subject to approval, replacement and relevant expenditure will take place in the second quarter of the current financial year (2021/22 - year three of the current replacement programme).

There is sufficient resource within the capital programme for 2021/22 to meet this commitment.

In determining the need for replacement, it is important to note that vehicles of this type have a shortened economic life of about three years. This is partly due to the demanding nature of the work they do and also the fact that sweeper vehicles are subject to heavy continuous usage. As an example, each vehicle is operated on a double shift basis which means they are in service 14 hours per day, 7 days per week.

The planned purchase will replace three existing fleet vehicles plus a fourth that was destroyed by an on-board fire in 2020/21. All replaced vehicles were acquired in 2017. The three that remain are now worn out and considered by Fleet management to be beyond economic refurbishment.

Fleet Services estimate that the replaced vehicles will go to auction during the second half of 2021/22 and generate capital receipts of about £22k. Actual receipts will depend heavily on turnout for the auction and how much competition there is for the vehicles.

As part of Greater Manchester's Clean Air Plan, there are proposals to introduce Clean Air Zone charges for vehicles which do not meet the latest EURO6 emission standards. The proposed charge for vehicles of this type (over 3.5 Tonnes) and commencing in Spring 2022 is £60 per day. As the three remaining sweepers have non-compliant 'EURO5' engines, it is estimated that their retention and continued usage would create an additional future cost pressure within the service of £61.2k p.a. (£20.4k per vehicle).

Furthermore, if the existing vehicles were retained, there is an increased risk of breakdowns occurring which may adversely affect service delivery.

The costs associated with new vehicles are more certain and replacement of the vehicles is considered to be the most economically advantageous option for the reasons outlined above.

(Nigel Howard)

What are the **procurement** implications?

The Commercial Procurement Unit supports the recommendations outlined in the report. The procurement has been carried out in line with Oldham Council's Contract Procedure Rules by using an existing framework (rule 4.1).

The mini competition was conducted in line with the YPO terms and conditions and the submission was evaluated in line with the criteria as described in the documentation.
(Emily Molden)

What are the **legal** implications?

The Yorkshire Purchasing Organisation's ("YPO") Framework Agreement 960 is to be used to procure the vehicles (and warranty) in compliance with the Council's Contract Procedure Rules. Supplementary requirements and terms and conditions have been specified to require Covid compliance and Social Value delivery in accordance with the Council's social value policy (Rebecca Boyle)

What are the **Human Resources** implications?

N/A

Equality and Diversity Impact Assessment attached or not required because (please give reason)

N/A

What are the **property** implications

N/A

Risks:

N/A

Co-operative agenda

Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution?

Yes

Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the Council's budget?

Yes

Are any of the recommendations within this report contrary to the Policy Framework of the Council? Yes

Reason why this Is a Key Decision (1) to result in the local authority incurring expenditure or the making of savings which are, significant (over £250k) having regard to the local authority's budget for the service or function to which the decision relates.

This item has been included on the Forward Plan under reference xxxxxxxxx

There are no background papers for this report

Report Author Sign-off:	
Dave Durham	
Date: 15/06/2021	

Signed : Deputy Chief Executive *Hockwood.*

Date: 27 July 2021